

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)	
)	
Petitions for Waiver of Universal Service)	WC Docket No. 08-71
High-Cost Filing Deadlines)	
)	
Rural Telephone Service Company, Inc. d/b/a Nex-Tech)	
Petition for Waiver of Section 54.313(j) Deadline to)	
File Annual Report for High Cost Recipients.)	

**PETITION OF RURAL TELEPHONE COMPANY, INC. D/B/A NEX-TECH
FOR WAIVER OF 47 C.F.R. § 54.313(j)**

Jimmy Todd, CEO/General Manager
Rural Telephone Service Company d/b/a Nex-Tech
145 N. Main
Lenora, Kansas
Tel: (785) 567-4281
Fax: (785) 567-4401

Date: July 25, 2014

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SUMMARY

Rural Telephone Service Company d/b/a Nex-Tech (“Rural Telephone”) requests a waiver of Section 54.313(j) of the Commission’s rules. Specifically, Rural Telephone requests, to the extent necessary, a waiver of the July 1, 2014 deadline established for the filing of the annual Eligible Telecommunications Carrier (“ETC”) report (Form 481) as it relates to submission of the report to the Administrator (Universal Service Administration Company, or USAC).

Rural Telephone is required to file the Form 481 annual report with the FCC, the Kansas Corporation Commission (“KCC”), and USAC. Rural Telephone timely filed its Form 481 with the FCC and KCC before the July 1, 2014 due date, and it also entered, uploaded, and saved its annual report filing through USAC’s E-filing system on June 27, 2014. Rural Telephone made a good faith effort to certify its USAC filing on June 27, 2014. Specifically, two Rural Telephone employees participated in the certification of Rural Telephone’s Form 481 filing via USAC’s E-filing system on that date. Although the employees encountered some technical difficulties with the certification, they were able to submit the certification, and the USAC filing system displayed a screen confirming acceptance of the filing. At that point, Rural Telephone had properly completed and certified the Form 481, and had completed all necessary steps to have its Form 481 submission accepted by USAC.

On July 9, 2014, Rural Telephone received notification from USAC alleging that its Form 481 filing had not been made (or made properly). Rural Telephone promptly logged on to USAC’s E-filing system and discovered that, while the Form 481 was populated with all the required information, USAC’s system failed to show the certification step had been completed. Rural Telephone further discovered that USAC’s system had experienced difficulties with some reporting carriers using Microsoft Internet Explorer (Internet browser), and was informed that using a different Internet browser may solve the certification problem. Rural Telephone switched to a different browser and, along with other steps, was able to properly complete the certification step again. Despite the fact that Rural Telephone completed the substantive portions of Form 481 on June 27, 2014, USAC deemed Rural Telephone’s filing late due to the failure of USAC’s system to properly process the certification step on June 27, 2014.

Rural Telephone does not believe that a waiver of Section 54.313(j) of the FCC’s rules is required because it did in fact timely submit its annual reports to the FCC, the KCC, and USAC, and requests the Commission to direct the Administrator to distribute first quarter 2015 high cost support on schedule to Rural Telephone. Nonetheless, Rural Telephone files this Petition for Waiver to ensure that its rights are preserved, and that payment of high cost support for the first quarter of 2015 is received by Rural Telephone on time. A waiver, to the extent necessary, is warranted because the loss of approximately \$2 million in USF support would be an unduly burdensome penalty that is inequitable and contrary to the public interest.

Penalizing a Rural Telephone for an entire quarter’s worth of high cost support for the purported missing of a deadline is not a proportionate response given the nature of the alleged non-compliance. Rural Telephone’s difficulties with completing the Form 481 certification via USAC’s E-filing system in no way affect the abilities of the Commission, the KCC, or USAC to discharge their duties. However, withholding approximately \$2 million of support will, contrary to the public interest, affect Rural Telephone’s ability to discharge its duties to its customers.

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FOR WAIVER OF 47 C.F.R. §54.313(j)**

Rural Telephone Service Company d/b/a Nex-Tech (“Rural Telephone”), pursuant to Section 1.3 of the Rules and Regulations of the Federal Communications Commission (“FCC” or “Commission”),¹ hereby requests a waiver of Section 54.313(j) of the Commission’s Universal Service Fund (“USF”) rules.² Specifically, Rural Telephone requests a waiver of the July 1, 2014 deadline established for the filing of the annual Eligible Telecommunications Carrier (“ETC”) report (Form 481) as it relates to submission of the report to the Administrator (Universal Service Administration Company, or “USAC”). For the reasons discussed below, grant of the requested waiver is in the public interest and is consistent with FCC precedent concerning late filings.

I. BACKGROUND

Rural Telephone is an incumbent ETC, designated by the Kansas Corporation Commission (“KCC”) that receives support from the High Cost and Low Income Programs of the federal Universal Service Fund. Rural Telephone provides wireline telecommunications services in portions of rural northwest Kansas, and has been doing so since 1951.

Pursuant to 47 C.F.R. § 54.313, recipients of high cost support are required to submit annual reports to the Commission, Administrator, and relevant state commission that contain certain high-cost reporting information. These reports are normally due on July 1 each year. In 2013, the Commission

¹ 47 C.F.R. § 1.3.

² 47 C.F.R. § 54.313(j).

adopted a standardized reporting format on which high cost support recipients are to report the information required by 47 C.F.R. § 54.313 - Form 481.³ According to 47 C.F.R. § 54.313(j), “*In order for a recipient of high-cost support to continue to receive support for the following calendar year, or retain its eligible telecommunications carrier designation, it must submit the annual reporting information required by this section no later than July 1, 2012, except as otherwise specified in this section to begin in a subsequent year, and thereafter annually by July 1 of each year.*” In the event an ETC files the required information after the July 1 deadline but before October 1, support for the first quarter of the subsequent year will not be received, with support for the second through the fourth quarters being received as per normal.⁴

The Commission adopted these new reporting requirements in the *USF/ICC Transformation Order*,⁵ for the stated purpose of establishing a “uniform national framework for accountability, including reporting and certification...”⁶ and saw this as “critical to ensure appropriate use of high-cost support and to allow the Commission to determine whether it is achieving its goals efficiently and effectively.”⁷ To accomplish these goals, the Commission adopted this uniform reporting process “as a partnership between the Commission and the states, U.S. Territories, and Tribal governments, where appropriate.”⁸

The Form 481 for program year 2015 was due on July 1, 2014. Rural Telephone sent a completed confidential (non-redacted) Form 481 to the Commission via an express delivery service, which was received by the FCC on July 1, 2014.⁹ Additionally, Rural Telephone uploaded a redacted version of its 2014 Form 481 to the Commission’s electronic comment filing system (ECFS) in WC

³ See e.g., Federal Register, Vol. 78 (February 25, 2013) at 12750.

⁴ 47 C.F.R. §54.313(j)(1).

⁵ *In re Connect America Fund*, Report and Order and Further Notice of Proposed Rulemaking, 26 FCC Rcd 17663 (2011) (“*USF/ICC Transformation Order*”).

⁶ *Id.*, ¶ 573.

⁷ *Id.*

⁸ *Id.*, ¶ 569.

⁹ Declaration of Rhonda S. Goddard, ¶ 4, attached hereto as Attachment 1 (“Goddard Decl.”).

Docket No. 10-90 on June 26, 2014.¹⁰ Rural Telephone also filed a copy of its Form 481 with the KCC on June 30, 2014.¹¹

As to the required filing with USAC, Rural Telephone completed and certified the required sections of Form 481 via USAC's E-filing system on June 27, 2014. Specifically, Rural Telephone entered, uploaded, and saved all of the information required for the FCC Form 481, and also certified its submission on that date.¹² Rhonda Goddard, Chief Operating Officer, Regulated Services, and David Graham, Revenue Supervisor, both participated in the certification of Rural Telephone's Form 481 submission to USAC via the E-filing system.¹³ Ms. Goddard encountered some technical difficulties in certifying the Form 481 to USAC. Specifically, as Mr. Graham observed, Ms. Goddard entered her full name, middle initial, and title, and attempted to enter the date of June 27 in the date field.¹⁴ The system would not allow an entry in the date field, so the date field was left blank.¹⁵ The first time Ms. Goddard tried to click on the certification button, the system would not accept the action due to an apparent problem with the inclusion of her middle initial.¹⁶ She was able to submit the certification after removing her middle initial, and the filing system displayed a screen confirming acceptance of the filing.¹⁷ At that point, Ms. Goddard and Mr. Graham believed that Rural Telephone had properly completed and certified the Form 481 via USAC's E-filing system, and had completed all necessary steps to have its Form 481 submission accepted by USAC.¹⁸ Shortly after the filing, Mr. Graham received an e-mail from USAC the

¹⁰ *Id.*

¹¹ Goddard Decl. ¶ 5; Declaration of David L. Graham, ¶ 3, attached hereto as Attachment 2 ("Graham Decl."); *see also*, KCC Docket No. 14-GIMT-468-GIT.

¹² Goddard Decl. ¶¶ 6-7; Graham Decl. ¶¶ 4-5.

¹³ *Id.*

¹⁴ *Id.*

¹⁵ *Id.*

¹⁶ *Id.*

¹⁷ *Id.*

¹⁸ *Id.*

same afternoon reminding Rural Telephone to file its annual report.¹⁹ This did not raise any concerns at that time as Rural Telephone had just electronically submitted its Form 481 certification shortly before receiving USAC's e-mail.²⁰

On July 9, 2014, USAC notified Rural Telephone that its Form 481 was saved but not certified.²¹ Rural Telephone immediately logged on to USAC's E-filing system and certified its Form 481 submission.²² At that time, after having conversations with USAC and changing the Internet browser used to access USAC's E-filing system, Rural Telephone's Form 481 was apparently certified and accepted by USAC.²³ Although Rural Telephone had certified and submitted its annual report on June 27, 2014, USAC nonetheless determined that, despite Rural Telephone's statements to the contrary, the Form 481 filing was late by eight days.²⁴ According to USAC, Rural Telephone's Form 481 filing was not properly certified, and thus was not officially accepted as being filed, on June 27, 2014. USAC issued a final determination, that Rural Telephone's Form 481 filing was deemed "late", and therefore Rural Telephone is subject to the revised high cost support distribution schedule set out in 47 C.F.R. § 54.313(j). Rural Telephone now files the instant Petition for Waiver of the Section 54.313(i) filing deadline.

II. DISCUSSION

In general, the Commission's rules may be waived only for good cause shown.²⁵ The Commission may exercise its discretion to waive a rule where the particular facts make strict compliance inconsistent with the public interest.²⁶ In addition, the Commission may take into account considerations

¹⁹ Goddard Decl. ¶ 8; Graham Decl. ¶ 6.

²⁰ *Id.*

²¹ Goddard Decl. ¶¶ 9-10; Graham Decl. ¶ 7.

²² *Id.*

²³ *Id.*

²⁴ *Id.*

²⁵ 47 C.F.R. § 1.3.

²⁶ *WAIT Radio v. FCC*, 418 F.2d 1153, 1159 (D.C. Cir. 1969) ("*Wait Radio*"), *cert. denied*, 409 U.S. 1027 (1972); *Northeast Cellular Telephone Co. v. FCC*, 897 F.2d 1164, 1166 (D.C. Cir. 1990).

of hardship, equity, or more effective implementation of overall policy on an individual basis.²⁷ Waiver of the Commission's rules is therefore appropriate if the requested relief would not undermine the policy objective of the rule in question, special circumstances warrant a deviation from the general rule, and such deviation will serve the public interest.²⁸

Rural Telephone does not believe the facts herein require a waiver of the Commission's rules. Rural Telephone, as discussed above and in the Declarations contained in Attachments 1 and 2, firmly believed, with good cause, that it had taken all the steps necessary to complete and certify its Form 481 submission via USAC's E-filing system before July 1, 2014. However, after discussions with USAC, disclosing these facts proved ineffective, and USAC determined Rural Telephone's filing to be late. Rural Telephone is filing this waiver in order to ensure that its rights are preserved, and payment of high cost support for the first quarter of 2015 is received by Rural Telephone on time.

The Commission has waived its rules for similar late filings in the past,²⁹ even though Rural Telephone's filing, to its knowledge, related to the Form 481 is a matter of first impression for the Commission. First, the Form 481 filing has only been in place for two years.³⁰ Second, past waiver petitions related to missed filing deadlines with USAC only, whereas the Form 481 is to be filed with the FCC, state commissions, and USAC. Rural Telephone, as stated above, timely filed the Form 481 with both the FCC and KCC, and has good cause to believe that it timely filed the Form 481 with USAC.

²⁷ *WAIT Radio*, 418 F.2d at 1157.

²⁸ *See generally*, *WAIT Radio*, 418 F.2d 1153; *Northeast Cellular*, 897 F.2d 1164.

²⁹ *See, e.g., in re Petitions for Waiver of the Universal Service High-Cost Filing Deadlines*, WC Docket No. 08-71, *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, DA 10-107 (January 22, 2010) at ¶¶ 21-22, *Northern New England Telephone Operations LLC and Telephone Operating Company of Vermont LLC Petition for Waiver of Sections 54.802(a) and 54.809(c) of the Commission's Rules* ("Fairpoint Waiver"), *Midcontinent Communications Petition for Waiver of Section 54.307(c) of the Commission's Rules* ("Midcontinent Waiver"), *General Communications, Inc. Petition for Waiver of Section 54.802(a) of the Commission's Rules* ("GCI Waiver"), and *Hopi Telecommunications, Inc. (SAC #452173) Petition for Waiver of Section 54.314(d)(1) Filing Deadline for Submission of Annual Section 254(e) Certification by Tribal and Other Carriers Not Subject to State Jurisdiction* ("Hopi Waiver").

³⁰ Last year's due date for Form 481 filings (the first year) was October 31, 2013. Rural Telephone filed the 2013 Form 481 on time.

A. Rural Telephone Filed Form 481 With the FCC and KCC On Time

Rural Telephone, as an incumbent ETC, falls under the dual jurisdiction of the FCC and the KCC. Pursuant to Section 54.313(i) of the Commission's rules, the annual ETC report, Form 481, is to be filed with the Office of the Secretary of the Commission...and the relevant state commission[s]..."³¹ USAC does not dispute that Rural Telephone filed its 2014 Form 481 with the FCC and KCC - the regulators - before the July 1, 2014 due date.

As a result, Rural Telephone fulfilled the Commission's purpose for adopting the accountability and reporting requirements that led to the creation of Form 481 - to "ensure appropriate use of high-cost support and to allow the Commission to determine whether it is achieving its goals efficiently and effectively." Rural Telephone's two regulators - the FCC and KCC - were in full possession of Rural Telephone's Form 481 on or before the July 1, 2014 due date, and were thus able to review the information provided and determine if Rural Telephone has used or will use its support appropriately.

B. USAC's Claimed Late Receipt of Rural Telephone's Form 481 Does Not Affect USAC's Ability to Discharge Its Duties.

Section 54.313(i) of the Commission's rules also requires the Form 481 be filed with the Administrator, USAC, on or before July 1, 2014. USAC "may not make policy, interpret unclear provisions of the statute or rules, or interpret the intent of Congress. Where the Act or the Commission's rules are unclear, or do not address a particular situation, the Administrator shall seek guidance from the Commission."³² It is clear that USAC's purpose is to, in part, ensure payments from contributors are received, and disbursements to recipients are made on a timely basis. Although USAC purportedly received Rural Telephone's Form 481 certification late, this in no way affects USAC's ability to discharge its duties or affects the FCC's goals in adopting the new accountability requirements in the first instance.

³¹ 47 C.F.R. § 54.313(i).

³² 47 C.F.R. § 54.702(c).

The FCC adopted Form 481, in part, as a standard template for all ETCs to utilize when complying with the reporting requirements under Section 54.313. USAC developed an online version of the form for carriers to use, which is accessed via USAC's E-filings system. A reporting carrier is allowed by USAC's system to either complete, while online, the pertinent sections of the form, or upload responsive documents. Once the Form 481 is complete, USAC's instructions request that the reporting carrier then "must have a company officer complete this certification to attest to the validity of all information reported in Form 481."³³ Once this step is complete, according to USAC's online system, the carrier's Form 481 is considered complete and filed by USAC. However, even if the final certification step is not completed to the satisfaction of USAC's E-filing system, the pertinent data can still be populated and responsive documents uploaded, at which time the entire Form 481 can be saved. This is what happened in Rural Telephone's case – there is no dispute that the Form 481 was completed and saved and therefore received by USAC. USAC's apparent issue with Rural Telephone's Form 481 filing arises with the final certification step.³⁴

C. Rural Telephone Timely Filed and Certified the Form 481 on June 27, 2014

As stated above and in the sworn Declarations included in Attachments 1 and 2, Rural Telephone, to the best of its knowledge and belief, properly completed, filed, and certified the Form 481 on June 27, 2014. This included the steps necessary to certify the validity of the data included by Rural Telephone in the Form 481. Once Rural Telephone filed the necessary pages with the FCC and KCC, this annual task was complete.³⁵

On July 9, 2014, Rural Telephone received notification from USAC alleging that its Form 481 filing had not been made (or made properly). Rural Telephone promptly logged on to USAC's e-filing

³³ USAC "Instructions for Completing 54.313/54.422 Data Collection Form" at 37.

³⁴ It is important to note that the volume of traffic accessing USAC's E-filing system can, and did, cause extreme delays in response times and complete outages. USAC also scheduled system maintenance on certain days leading up to the July 1, 2014 due date, meaning access to the system was not possible. See e.g., June 18, 2014 and June 19, 2014 news announcements at <http://www.usac.org/hc/tools/news/default.aspx>.

³⁵ The only notification Rural Telephone received from USAC regarding its Form 481 was on June 27, 2014 - the day Rural Telephone completed all necessary steps for filing Form 481 with USAC.

system and discovered that, while the Form 481 was populated with all the required information, USAC's system failed to show the certification step had been completed. Rural Telephone further discovered that USAC's system had experienced difficulties with some reporting carriers using Microsoft Internet Explorer (Internet browser), and was informed that using a different Internet browser may solve the certification problem. Rural Telephone switched to a different browser and, along with other steps, was able to properly complete the certification step again. Despite the fact that Rural Telephone completed the substantive portions of Form 481 on June 27, 2014, USAC deemed Rural Telephone's filing late due to the failure of USAC's system to properly process the certification step on June 27, 2014.

D. Rural Telephone Has Implemented Internal Procedures to Ensure Future Compliance

Rural Telephone recognizes that it is ultimately responsible for ensuring that all regulatory filings, such as Form 481, are made in a timely and accurate manner. In the instant case, Rural Telephone justifiably believed that the USAC system had properly processed its 2014 Form 481 in a timely and accurate manner. However, there was an apparent error that led to USAC's E-filing system displaying the filing completion screen to Rural Telephone personnel, when the certification did not actually go through on USAC's online e-filings system. It is in relation to this apparent problem that Rural Telephone has focused its revision of internal procedures.

First, Rural Telephone has implemented a procedure whereby screen images from USAC's Form 481 E-filing system will be printed as paper documentation evidencing that future filings have been made in a timely manner. These screen images will be maintained along with other documentation related to Rural Telephone's Form 481 filings. Second, Rural Telephone will not consider its Form 481 filings as complete and certified until and unless it receives separate e-mail confirmation from USAC of the successful filing. This e-mail will also be printed and maintained along with other Form 481 documentation. Finally, and as suggested by USAC, Rural Telephone will use an Internet browser other than Microsoft Internet Explorer in the future when interfacing with USAC's e-filing system.

III. GRANTING THE REQUESTED WAIVER IS IN THE PUBLIC INTEREST AND OTHERWISE MEETS SECTION 1.3 REQUIREMENTS

Rural Telephone filed its Form 481 on or before July 1, 2014 with the FCC and the KCC - these facts are not disputed. Furthermore, it is the FCC and KCC that have primary jurisdiction over Rural Telephone's regulated telecommunications operations, and the KCC designated Rural Telephone an ETC, and annually certifies this status to the FCC. Thus, Rural Telephone's regulators had in their possession the information required by Section 54.313 on or before the due date. At issue is the online certification required by USAC, and not the completion and timely receipt of the Form 481.³⁶

As stated above and in the Declarations included in Attachment 1 and 2, Rural Telephone properly and timely certified and submitted its online filing of the Form 481 with USAC. Until USAC's July 9, 2014 notification to Rural Telephone that the certification step had not been successfully processed by USAC's system, Rural Telephone, in good faith, believed that it had timely filed the Form 481 with the FCC, the KCC, and USAC. According to Section 54.313(j)(1), Form 481s that are filed after July 1 but before October 1 will cause the reporting carrier to lose high cost support for the first quarter of the next calendar year. For Rural Telephone, this equates to approximately \$2 million in federal high cost support.

Pursuant to Section 1.3 of the Commission's rules, waivers of the Commission's rules may be granted if good cause is shown. In implementing this standard, the Commission may take into consideration, among other things, hardship and/or equity. Rural Telephone submits that depriving a company of \$2 million in support under the circumstances discussed herein constitutes a highly inequitable consequence of missing one aspect of a filing with the Administrator of the federal universal service support mechanisms. This is particularly true considering that both of Rural Telephone's regulators - the FCC and the KCC - received Rural Telephone's Form 481 before the filing deadline, and Rural Telephone entered, uploaded, and saved the Form 481 with USAC's E-filing system before the

³⁶ The substantive portions of Rural Telephone's 2014 Form 481 did not change between the date the form was provided to the FCC and KCC, and the date the USAC system properly processed the certification (July 9). The only change was the fact that it was certified via USAC's online system.

deadline. Rural Telephone certified its filing with USAC before the filing deadline on June 27, 2014, but for reasons that can only be attributed to an as-yet unknown incompatibility between Internet Explorer and the USAC E-filing system, that certification resulted in a confirmation being given to Rural Telephone, when the certification apparently did not go through to USAC. The Commission is well within its authority to waive strict compliance with Section 54.313(j) and 54.313(j)(1) of its rules in these circumstances.

The Commission appears to have recognized the inherent inequity of Section 54.313(j) of its rules in certain circumstances in a recent Further Notice of Proposed Rulemaking (FNPRM).³⁷ In the FNPRM, the Commission proposes to revise the way reductions in support are determined in cases of late filing of reports and certifications. In the FNPRM, the Commission states “[o]n further consideration, however, we have concerns that the rules adopted [in the *USF/ICC Transformation Order* related to support reductions] may not be appropriately calibrated to meet our objectives.”³⁸ While the Commission recognizes the need to adopt and enforce filing deadlines, it recognized that “we must also balance these concerns with ensuring that the support reduction we impose on carriers is a proportionate response to their failure to meet deadlines and not unduly punitive given the nature of the alleged non-compliance.”³⁹ Rural Telephone agrees with the changes the Commission proposes in the FNPRM, and believes this petition for waiver is a clear indication of the need to change the relevant rules.

It is also demonstrably in the public interest to grant Rural Telephone’s petition. Depriving Rural Telephone of approximately \$2 million in high cost support would put the company in financial distress. This would in turn cause Rural Telephone to implement measures to compensate for the lost support, such as delaying construction projects or putting off, to the extent possible, maintenance of its network. Neither of these scenarios is in the public interest, and can only serve to harm the customers Rural Telephone, the FCC, and the KCC are committed to protecting.

³⁷ *In re Connect America Fund*, Further Notice of Proposed Rulemaking, WC Docket No. 10-90, et al., (rel. June 10, 2014) at ¶¶ 317-325 (“*FNPRM*”).

³⁸ *FNPRM* ¶ 318.

³⁹ *Id.*

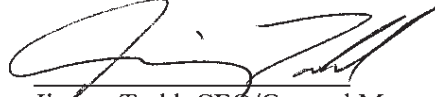
IV. CONCLUSION

Rural Telephone properly filed its Form 481 with the FCC and KCC before the July 1, 2014 due date, and it also entered, uploaded, and saved its annual report filing through USAC's E-filing system by that deadline. Rural Telephone made a good faith effort to certify its USAC filing on June 27, 2014, and its other filings included Rural Telephone's certification that the information provided in Form 481 was accurate, regardless of the status of the certification step in USAC's E-filing system. These facts are not in dispute. As a result, Rural Telephone does not believe a waiver of any Commission rule is necessary, but is filing this petition due to USAC's determination to the contrary.

Even if the Commission determines that Rural Telephone did not properly certify its Form 481 via USAC's E-filing system, the penalty for this is inequitable and contrary to the public interest. As the Commission has itself recognized, penalizing a company in Rural Telephone's situation an entire quarter's worth of high cost support for the (questionable) missing of a deadline is not a proportionate response given the nature of the non-compliance. Rural Telephone's difficulties with completing the Form 481 certification via USAC's E-filing system in no way affect the abilities of the Commission, the KCC, or USAC to discharge their duties. However, withholding approximately \$2 million of support will, contrary to the public interest, affect Rural Telephone's ability to discharge its duties to its customers.

Rural Telephone respectfully requests the Commission grant, to the extent necessary, this Petition for Waiver on an expedited basis, and/or direct the Administrator to distribute first quarter 2015 high cost support on schedule.

Respectfully submitted,



Jimmy Todd, CEO/General Manager
Rural Telephone Service Company d/b/a Nex-Tech
145 N. Main
Lenora, Kansas
Tel: (785) 567-4281
Fax: (785) 567-4401

Date: July 25, 2014

Attachment 1

Declaration of Ronda Goddard

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54.313(j) Deadline to File Annual Report for)	
High Cost Recipients.)	

DECLARATION OF RHONDA S. GODDARD

1. My name is Rhonda S. Goddard. I am the Chief Operating Officer, Regulated Services, of Rural Telephone Service Company, Inc. d/b/a Nex-Tech (“Rural Telephone”). The business address for Rural Telephone is 145 N. Main, Lenora, Kansas 67645. I have personal knowledge of the statements made herein.

2. Rural Telephone is a small incumbent local exchange carrier providing communications service to small towns and rural areas of Kansas. It is designated as an eligible telecommunications carrier (“ETC”) in the state of Kansas, and it receives federal high-cost universal service support from the universal service fund (“USF”) administered by the Universal Service Administrative Company (“USAC”). Rural Telephone relies on USF high-cost support to provide affordable telecommunications service to its subscribers located in rural, high-cost areas.

3. Pursuant to Section 54.313(j) of the Commission’s rules, 47 C.F.R. § 54.313(j), Rural Telephone is required to file an annual report using the FCC Form 481 by July 1 of each year containing information required by Section 54.313, 47 C.F.R. § 54.313. Section 54.313(i), 47 C.F.R. 54.313(i), requires the FCC Form 481 to be filed with the FCC, USAC, and the relevant state commissions.

4. Rural Telephone timely filed its FCC Form 481 with the Commission. I had the confidential version of Rural Telephone's FCC Form 481 filed via overnight delivery with the Office of the Secretary of the FCC in Docket No. 10-90. The certified mail return receipts for these filings show that the Commission received hard copies of Rural Telephone's confidential and public filings on July 1, 2014. The ECFS system also reflects that the FCC timely received Rural Telephone's uploaded public version of its Form 481 filing on June 26, 2014. *See Exhibit A – Rural Telephone Form 481 Filings Status on ECFS, and certified mail return receipts.*

5. Rural Telephone also timely filed its FCC Form 481 with the relevant state commission pursuant to Section 54.313(i). Specifically, I instructed David Graham, Revenue Supervisor for Rural Telephone, to file the FCC Form 481 with the Kansas Corporation Commission ("KCC"). He filed the form electronically on June 30, 2014, and provided me with the electronic filing confirmations he received from the KCC. *See Exhibit B – KCC Electronic Filing Confirmations.*

6. On June 27, 2014, I initiated the certification of Rural Telephone's FCC Form 481 via USAC's electronic filing system. Because there were new electronic filing procedures for the 2014 Form 481 filing, I asked Mr. Graham to observe the electronic certification with USAC to ensure that there were no issues or problems during the certification process. Mr. Graham had previously entered, uploaded, and saved all of the information required for the FCC Form 481, and I verified that the Form 481 was in its final form and ready to be certified. While Mr. Graham observed, I entered my full name and middle initial and title and attempted to enter the date of June 27 in the date field. The system would not allow an entry in this date field so we left the date field blank. The first time I tried to click on the certification button, the system would not accept the action due to an apparent problem with the inclusion of my middle initial. I

removed my middle initial from the certification, and I was then able to submit the certification. After I clicked the submission button, the filing system displayed a confirmation screen leading me to believe that the FCC Form 481 certification had been submitted to USAC, and no further actions were required.

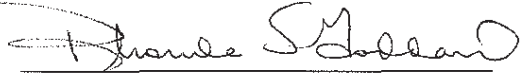
7. After I made this electronic submission of the Form 481 certification for Rural Telephone to USAC, Michael Pollock, the Chief Operating Officer for Nex-Tech, Inc., which is a wholly-owned subsidiary of Rural Telephone, contacted me regarding problems he was having with electronically certifying the Form 481 for Nex-Tech, Inc. He was also experiencing problems with the USAC filing system. I told him that the USAC filing system would only allow me to certify Rural Telephone's Form 481 if I removed my middle initial, and I suggested that he try to submit Nex-Tech, Inc.'s Form 481 certification without his middle initial. Mr. Pollock was able to certify Nex-Tech, Inc.'s Form 481 after following my instructions, which was based on my experience, as described in paragraph 6 above, of successfully submitting Rural Telephone's Form 481 certification to USAC.

8. It is my understanding from discussions with USAC staff that on the afternoon of June 27, 2014, USAC contacted FCC Form 481 filers via e-mail that had not certified the required report by that date to inform them that USAC had not yet received their certified filings. Mr. Graham received an e-mail on the afternoon of June 27 that Rural Telephone had not yet certified its annual report. However, that did not raise concerns at that time as we had just submitted Rural Telephone's Form 481 certification shortly before the e-mail alert was issued. I believed that Rural Telephone's annual report had been timely filed and certified with the FCC, the KCC, and USAC.

9. On July 9, 2014, USAC staff contacted Mr. Graham via e-mail, and informed him that Rural Telephone's FCC Form 481 was showing as being saved, but not certified, by the July 1, 2014 deadline. Mr. Graham contacted USAC, and explained that he had observed me certify the form on June, 27, 2014. Staff advised Mr. Graham that I should try a different Internet browser. I immediately took action to certify the FCC Form 481 through USAC's electronic filing system. I made the first attempt to certify through the USAC website. The certification process did not work. For the second attempt, I accessed the USAC web site via Google Chrome. As during the June 27 attempt, I pressed the certify button, and I saw the confirmation screen verifying that USAC had received the FCC Form 481. However, this time, I also received a confirmation email verifying that USAC had received Rural Telephone's certification.

10. I contacted USAC staff to determine why Rural Telephone's Form 481 certification did not go through the first time I submitted it through USAC's electronic filing system as all indications from Rural Telephone's perspective was that the filing was accepted when I certified it on June 27, 2014. USAC staff was unable to confirm receipt of Rural Telephone's electronic certification on June 27, 2014. Rather, USAC staff issued an e-mail stating that Rural Telephone's FCC Form 481 appears as "certified" as of July 9, 2014, and that USAC's "final determination" was that Rural Telephone's filing would be considered "late." *See Exhibit C – E-mail from USAC Staff to R. Goddard.*

11 I declare under penalty of perjury that the foregoing is true and correct of my own knowledge, except to those matters therein stated upon information and belief, and as to those matters I believe them to be true.



Rhonda S. Goddard
Chief Operating Officer, Regulated Services
Rural Telephone Service Company, Inc.
d/b/a Nex-Tech

7/25/2014

Date

Exhibit A

Rural Telephone Form 481 Filings Status on ECFS;
Certified Mail Return Receipts.

Search for Filings Results

Electronic Comment Filing System

FCC > CGB > ECFS Home Page > Search for Filings Results

site map

ECFS Main Links

- ECFS Home
- Search for Filings
- Search for Proceedings
- Submit a Filing
- Submit a Filing (Express)
- Check Your Filing Status

Export to Excel file | Generate History Report | RSS Feed

- Proceeding Number is 10-90
- Name of Filer contains 'nex-tech'
- Date Received is on or after 07/25/2013

Search for Filings Results

Displaying 1 to 10 of 21. Modify Search Page Size: 10 View: Tabular

1 2 3

Proceeding Number	Name of Filer	Lawfirm Name	Date Received	Date Posted	Exparte	Type of Filing
10-90	Nex-Tech View (51) View (42)		07/01/2014	07/22/2014	No	REPORT
10-90	Rural Telephone Service d/b/a Nex-Tech Confidential		06/25/2014	07/09/2014	No	REPORT
10-90	Rural Telephone Service d/b/a Nex-Tech View (25) View (22)		06/25/2014	07/03/2014	Yes	NOTICE OF EXPARTE
10-90	Nex-Tech, Inc. Form 481 (22)		06/30/2014	06/30/2014	No	REPORT
10-90	Rural Telephone Service Company, Inc. dba Nex-Tech Form 481 Redacted (106) Cover Letter (2)		06/30/2014	06/30/2014	No	REPORT
10-90	Rural Telephone Service Co., Inc., dba Nex-Tech Ex Parte Public Version (2) Ex Parte Public Version (2) Ex Parte Public Version (6)		06/26/2014	06/27/2014	Yes	NOTICE OF EXPARTE
10-90	Nex-Tech Wireless, LLC View (1) FCC Form 481 (21)	Lukas Nace Gutierrez & Sachs, LLP	06/26/2014	06/26/2014	No	REPORT
10-90	Rural Telephone Service Company, Inc. dba Nex-Tech CACM Agreements (6)	John Staurulakis, Inc.	05/16/2014	05/20/2014	No	OTHER
10-90	Rural Telephone Service d/b/a Nex-Tech Confidential		04/10/2014	04/16/2014	Yes	NOTICE OF EXPARTE
10-90	Rural Telephone Service d/b/a Nex-Tech View (25) View (26)		04/10/2014	04/14/2014	Yes	NOTICE OF EXPARTE

Customize Columns

ECFS Full Text Search

Advanced

Online Help

- ECFS User Manual
- Contact ECFS

125%

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Ms. Marlene Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

2. Article Number

(Transfer from service label)

PS Form 3811, February 2004

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

- ☐ Agent
☐ Addressee

B. Received by (Printed Name)

T. Oade

C. Date of Delivery

D. Is delivery address different from item 1?

☐ Yes

If YES, enter delivery address below:

☐ NoJUL 01 2014
FCC Mail Room

3. Service Type

- ☐ Certified Mail ☐ Express Mail
☐ Registered ☒ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
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3. Service Type

- ☐ Certified Mail ☐ Express Mail
☐ Registered ☒ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Mr. Charles Tyler
Telecom Access Policy Division
Wireline Competition Bureau
Federal Communications Commission
445 12th Street, S.W., Rm 5-A452
Washington, D.C. 20554

2. Article Number

(Transfer from service label)

PS Form 3811, February 2004

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

- ☐ Agent
☐ Addressee

B. Received by (Printed Name)

T. Oade

C. Date of Delivery

D. Is delivery address different from item 1?

☐ Yes

If YES, enter delivery address below:

☐ NoJUL 01 2014
FCC Mail Room

3. Service Type

- ☐ Certified Mail ☐ Express Mail
☐ Registered ☒ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

EK165552031US

1388

EK165552076

102595-02-M-1540

Exhibit B

KCC Electronic Filing Confirmations.

From: do-not-reply@kcc.ks.gov
Sent: Monday, June 30, 2014 5:53 PM
To: David Graham
Subject: KCC E-Filing Filing Accepted

The Kansas Corporation Commission (KCC) Docket Room has accepted your recent filing.

Confirmation of Receipt

File Date: 06/30/2014

Transaction Id: 20140630_g2fg1h

Security: PUBLIC

Industry: Telecom

Filing Type: Report

Docket Number: 14-GIMT-468-GIT

Caption: Rural telephone Service Company, Inc. dba Nex-Tech Form 481

/s/ Kansas Corporation Commission

KCC Help Desk: 785-271-3300

From: do-not-reply@kcc.ks.gov
Sent: Monday, June 30, 2014 5:51 PM
To: David Graham
Subject: KCC E-Filing Filing Accepted

The Kansas Corporation Commission (KCC) Docket Room has accepted your recent filing.

Confirmation of Receipt

File Date: 06/30/2014

Transaction Id: 20140630_e6bm4a

Security: CONFIDENTIAL

Industry: Telecom

Filing Type: Report

Docket Number: 14-GIMT-468-GIT

Caption: Rural Telephone Service Company, Inc. Form 481 Confidential

/s/ Kansas Corporation Commission

KCC Help Desk: 785-271-3300

From: do-not-reply@kcc.ks.gov
Sent: Monday, June 30, 2014 5:54 PM
To: David Graham
Subject: KCC E-Filing Filing Accepted

The Kansas Corporation Commission (KCC) Docket Room has accepted your recent filing.

Confirmation of Receipt

File Date: 06/30/2014

Transaction Id: 20140630_2tw81q

Security: PUBLIC

Industry: Telecom

Filing Type: Report

Docket Number: 14-GIMT-468-GIT

Caption: Form 481 Redacted

/s/ Kansas Corporation Commission
KCC Help Desk: 785-271-3300

From: do-not-reply@kcc.ks.gov
Sent: Monday, June 30, 2014 5:52 PM
To: David Graham
Subject: KCC E-Filing Filing Accepted

The Kansas Corporation Commission (KCC) Docket Room has accepted your recent filing.

Confirmation of Receipt

File Date: 06/30/2014

Transaction Id: 20140630_d8afux

Security: CONFIDENTIAL

Industry: Telecom

Filing Type: Report

Docket Number: 14-GIMT-468-GIT

Caption: Rural Telephone Service company, Inc. dba Nex-Tech Form 481 Confidential

/s/ Kansas Corporation Commission

KCC Help Desk: 785-271-3300

Exhibit C

E-mail from USAC Staff to R. Goddard.

From: Brandon Ruffley [<mailto:bruffley@usac.org>]
Sent: Wednesday, July 16, 2014 4:13 PM
To: Rhonda Goddard; David Graham
Cc: Caroline Kim; Amanda Bilodeau; Sammy Khan; Habib Simab
Subject: RE: Form 481 Certification Confirmation

Hello Rhonda,

Our team has discussed the information you provided Sammy last week and gave further consideration to the FCC Form 481 filing for SAC# 411826. Our final determination is that your filing will be considered "late."

As Carol Kim had mentioned in her original e-mail to David on 7/9/14, you may file a waiver with the FCC to avoid loss of your first quarter of 2015 High Cost support.

Your FCC Form 481 does now appear as "certified" as of 7/9/14.

Thank you,
Brandon Ruffley

Brandon Ruffley – Senior Program Analyst, High Cost
(202) 772-5208 (ph)
bruffley@usac.org www.usac.org

Attachment 2

Declaration of David Graham

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)	
)	
Petitions for Waiver of Universal Service)	
High-Cost Filing Deadlines)	WC Docket No. 08-71
)	
Rural Telephone Service Company, Inc. d/b/a)	
Nex-Tech Petition for Waiver of Section)	
54.313(j) Deadline to File Annual Report for)	
High Cost Recipients.)	

DECLARATION OF DAVID L. GRAHAM

1. My name is David L. Graham. I am the Revenue Supervisor for Rural Telephone Service Company, Inc. d/b/a Nex-Tech ("Rural Telephone"). The business address for Rural Telephone is 145 N. Main, Lenora, Kansas 67645. I have personal knowledge of the statements made herein.

2. As part of its obligations as an eligible telecommunications carrier ("ETC"), and to remain eligible to receive federal high-cost universal service support from the universal service fund ("USF"), Rural Telephone is required to file annual reports on the FCC Form 481 with the FCC, the Kansas Corporation Commission ("KCC"), and the Universal Service Administrative Company ("USAC").

3. With regard to the annual report filing with the KCC, Rhonda S. Goddard, Chief Operating Officer, Regulated Services, for Rural Telephone asked me to file the FCC Form 481 with the KCC. I filed the form electronically on June 30, 2014, and I received electronic confirmations from the KCC confirming that I had successfully filed the Form 481 on that date. I provided Ms. Goddard with the electronic filing confirmations from the KCC.

4. For the electronic filing of the Form 481 with USAC, I entered, uploaded, and saved all of the information required for the annual report on USAC's electronic filing system.

On June 27, 2014, Ms. Goddard asked me to observe her certification of Rural Telephone's FCC Form 481 via USAC's electronic filing system, and she verified that the Form 481 was finalized and ready to be certified. She asked me to observe her certification of the form because there were new electronic filing procedures for the 2014 Form 481 filing. By doing so, if there were any issues or questions with the filing, I would be readily available to assist with the filing.

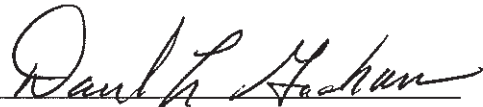
5. During the certification process, I observed Ms. Goddard enter her full name, middle initial, title, and date into the certification screen. The system would not permit the entry of a date, so we left that field blank. The first time she attempted to certify the filing, the system would not permit the form to be certified. We discovered that the problem was apparently due to the inclusion of her middle initial in the certification line. She had attempted to file the annual report using her full name and middle initial. However, the application was successfully certified after she removed her middle initial from the certification. After she clicked the certification button, the filing system displayed a confirmation screen that the filing was successful. After viewing the confirmation screen, I believed that the FCC Form 481 certification had been submitted to USAC, and no further actions were required.

6. Shortly after we had submitted the Form 481 to USAC on June 27, 2014, I received an e-mail that afternoon stating that Rural Telephone had not yet filed its annual report. This did not raise concerns for me at that time as we had just electronically submitted Rural Telephone's Form 481 certification to USAC shortly before I received the email alert.

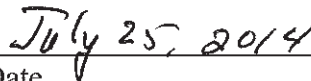
7. On July 9, 2014, USAC staff contacted me via e-mail, and informed me that Rural Telephone's FCC Form 481 was showing as being saved, but not certified, by the July 1, 2014 deadline. I immediately contacted USAC staff to explain that I had observed Ms. Goddard certify the Form 481 on June 27, 2014. USAC staff recommended that we try a different

browser, such as Google Chrome. I informed Ms. Goddard of USAC's communication, and she immediately took action to certify the FCC Form 481 through USAC's electronic filing system. Ms. Goddard attempted to certify the filing, but it did not go through. Ms. Goddard successfully certified the filing on the second attempt by using Google Chrome,

8. I declare under penalty of perjury that the foregoing is true and correct of my own knowledge, except to those matters therein stated upon information and belief, and as to those matters I believe them to be true.



David L. Graham
Revenue Supervisor
Rural Telephone Service Company, Inc.
d/b/a Nex-Tech



Date